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penditures, full disclosure of all contributions and expenditures, limitation of the size of contributions, limitation on amount of cash contributions and expenditures; and an independent election commission—and which was, of course, the Senate's position—and many other similar reforms in the private sector.

Throughout the time that election reform bills have been before the Senate, the record will show that I have steadfastly supported all of these principles and have afforded leadership in advocacy for them. I have invariably supported the lowest proposed figure, whether it was for an overall limit on contributions or expenditures, or limit on size of contributions or amount of cash contribution or expenditure permitted. And when disclosure provisions were considered, I have always stood for the strictest possible disclosure rule.

But to use the terms "public financing" and "campaign reform" interchangeably or as synonyms is erroneous.

So the conference report is really divided into two parts—the public financing part and the campaign reform part.

I would prefer that there could be [illegible] separate votes on these issues. I would vote for campaign reform and against public financing. But that is not to be, and I must vote for or against the report. There can be no division of the question.

But why do I oppose requiring the taxpayers to pay the cost of elections? Debates as reported in the record are full of reasons that I have assigned.

First, public financing of elections is a raid on the taxpayers' pocketbooks for the benefit of politicians. Subsidizing the candidates with funds from the Treasury only adds to the escalating costs of elections when we should be limiting and reducing election costs.

Second, much of the volunteer spirit of citizen participation in elections will be lost where the public treasury is required to pay the cost; and it deprives the citizens of first amendment rights in depriving them of freedom of expression implicit in the right to contribute to the candidate or candidates of their choice.

Third, it forces a person to contribute to a candidate whose views might be violently opposed to the views of the taxpayer. This objection cannot be met by the contention that only checkoff funds are being used, for these funds belong to all taxpayers and not just to those who participated in the checkoff.

Fourth, Presidential primaries already are spectacle enough without the Federal Treasury adding from $5 to $7½ million more to each candidate's funds.

I have been told that there are some 6, 8, or 10 candidates for the Presidency right here in this Chamber, not here on this floor at this time, but they are Members of this body. I have been told there are some 6, 8, or 10 Members of the Senate who will be candidates for the Presidency.

This bill, of course, would make them a present provided they get enough popular support to get in excess of $5 million, up to as much as $6 or $7½ million, which, if true, each of the candidates from this Senate or from the House, over $5 million for their campaign chest.

Now, the time approaches for the movement of the Senate over to the House Chamber, and I would ask unanimous consent that I might yield the floor at this time, in order that the majority leader may address the motion to the Chair, with the understanding that I retain the right to the floor when we come back.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, with the proviso that the distinguished Senator from Alabama retains the floor, I shall make the following unanimous consent request.

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess for the purpose of proceeding in a body to the Hall of the House of Representatives to hear an address by the President of the United States to a joint session of Congress.

Immediately after that address has been concluded the Senate will once again resume its deliberations and, the Senate concurring, the distinguished Senator from Alabama will have the floor at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will now stand in recess subject to the call of the Chair, for the purpose of attending a joint session with the House of Representatives to hear the address by the President of the United States.

At 3:42 p.m., the Senate took a recess subject to the call of the Chair.

Thereupon, the Senate, preceded by the Secretary of the Senate, Francis R. Valeo; the Sergeant at Arms, William H. Wannall; and the President pro tempore of the Senate (Mr. JAMES O. EASTLAND), proceeded to the Hall of the House of Representatives to hear the address by the President of the United States, Gerald R. Ford.

(The address delivered by the President of the United States to the joint session of the two Houses of Congress appears in the proceedings of the House of Representatives in today's RECORD.)

At 4:57 p.m., on the expiration of the recess, the Senate, having returned to its Chamber, reassembled, and was called to order by the Presiding Officer (Mr. BARTLETT in the chair).

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield to me without losing his right to the floor?

Mr. ALLEN. I yield.

IMPLEMENTATION OF THE PRESIDENT'S RECOMMENDATIONS

Mr. MANSFIELD. Mr. President, I would suggest that in line with the President's request this afternoon the Senate give consideration to the possibility of taking up on tomorrow, after the deepwater ports bill is disposed of, Calendar No. 1164, S. 3979, a bill to increase the availability of reasonably priced mortgage credit for home purchases.

The bill was offered by Messrs. CRANSTON and BROOKE, who were specifically singled out by the President. I believe the President indicated that he would like to have this legislation passed before the Senate recesses on Friday next, possibly.

It is my further understanding that action has been withheld on the Cranston-Brooke proposal until the President had sent up or made his recommendations. I would assume that, in part at least, he has made his recommendations this afternoon. I assure him that the joint leadership and the Senate stand ready to implement what he has said. Hopefully, if any additional information is needed from the White House, it will be forthcoming forthwith, so that we can give consideration to S. 3979, as the President specifically requested this afternoon.

I thank the distinguished Senator from Alabama for yielding to me for this purpose.

Mr. ALLEN. I am delighted to yield.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3044) to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, I was discussing the reason why I opposed the conference report. I was discussing the item of the financial subsidy not only for the Presidential general election, to the candidates for President of the respective parties, but also to finance the literally dozens of candidates who will seek the nomination of the major parties as well as the minor parties, to some extent.

Mr. President, this bill would provide a subsidy of between $5 million and $6 million—up to that amount—for each candidate for Presidential nomination. Literally dozens of them will be encouraged by the subsidies provided by this bill, as well as any hope of obtaining the nomination.

It has been pointed out that it is reputed that there are some 6, 8, 10, or 12 Members of Congress who will seek the

Presidency, or will seek the Presidential nomination, and they will be able to receive $5 million or more each, provided they get the necessary contributions from the public generally. But far from cutting down on the spectacle of these Presidential preference primaries, this would escalate the cost by $5 million or $6 million for each candidate and would run up into astronomical terms.

In addition, it would provide $2 million each—this is something the Senate did not even think of in providing subsidies—for major parties to hold a convention. I suppose some of the conventions are worth $2 million to the public, as a show or as a spectacle. But I hate to see the taxpayer called on to pay $2 million to each party so that it can meet and hold nominating conventions. That is what this conference report would do. That is a new idea by the House, agreed to by the Senate conferees.

Mr. President, let us examine the record to see whether positions which I and many other Senators of similar views have advocated on and off the Senate floor have had an influence, with an assist from the House, in shaping the final provisions of the bill as set forth in the conference report, both on the true campaign reform and even on the public financing.

To do so it is necessary to go back to August 5, 1971, when the present campaign law—Public Law 92-225—was under consideration in the Senate as S. 372. That bill—that is, the present law—sought only to limit expenditures for media advertising, pretty skimpy proposals—TV, radio, newspapers, billboards—but placed no limit—and the present law does not— on the 101 other necessary expenditures in a campaign, expenditures for which are not covered under the present law and for which the sky is the limit: Brochures, handbills, printing, WATS lines, telephones, postage, stationery, automobiles, trucks, telegrams, campaign headquarters—State and various local ones, unlimited campaign workers, airplane rentals and tickets, buses, trains—special and regular, campaign newspapers—distinguished from the media—movie theatre film advertisements, campaign staffs, public relations firms, production expenses for broadcasts, public opinion polls, paid campaigners and poll watchers, novelties, bumper stickers, sample ballots, and many others that I did not think of. Those were not covered under the present law. Those were not covered when S. 372 was before the Senate.

It was quite obvious to me that this limitation was far from adequate and that there should be a limitation on total expenditures for all purposes. So, on that date I offered amendment No. 306, the purpose of which was to place a limitation on the total amount that could be spent by a candidate for any and all purposes. The amendment failed of passage by a vote of 31 to 60, but for the first time action had been taken on the Senate floor that would have put an effective limit on all expenditures by a candidate in an election. Embraced in the report now is the concept of limiting all expenditures, as provided in my amendment, and not limiting media advertising only. Mr. President, the concept of the amendment that was offered back in 1971 is now carried forward in the conference report, limiting the total expenditures for all purposes and not just media advertising, as the limit is now.

Next came the passage in the Senate on July 30, 1973, by a vote of 82 to 8, of S. 372, which I supported in committee and on the floor. It had most of these desirable campaign reforms in it, but it did not have campaign financing. It did not have public financing. During the course of the consideration of this bill on the Senate floor, a public financing amendment was defeated. So just a little over a year ago, the Senate was voting down public financing. Mr. President, I voted for, and supported in committee and on the floor of the Senate, S. 372, which did provide true campaign reform.

Let us continue examining areas where the position of reform minded opponents of public campaign financing was upheld.

That is the category in which I put myself and those who opposed public financing. We are reform-minded opponents of public campaign financing. So let us continue examining to see where the position of reform-minded opponents of public campaign financing was upheld in the conference or where their effo ts influenced the final shape of the bill.

By a vote of 39 yeas to 51 nays, the Senate rejected the Allen amendment—this is while S. 3044 was pending in the Senate—to strike the provisions for public financing of congressional elections. So the reform-minded opponents of public financing did win out.

The position of the 39 Senate opponents of congressional elections financing is now supported by the conference report in the final conference with regard to House and Senate financing and subsidizing of the campaigns of Members of the House and Senate.

I offered an amendment limiting contributions in Presidential contests to $250 and $100 in congressional contests. Of course, there is practically no limit now to the amount of contributions that can be made. There is a limit on the amount that can be contributed through one committee, but we are familiar with the practice, although the Senator from Alabama has never used it, of having multiple committees, with $5,000 payments made by each of those committees. In that way, hundreds of thousands of dollars can be contributed by one person, because the present law does not provide an effective limit on that.

Therefore, during the course of consideration of S. 3044, I offered that amendment.

The theory of that $250 in Presidential races, $100 in congressional races, would always be matched anyhow, so why authorize more? That amendment was voted down here on the Senate floor, that effort by those of us who oppose public financing but favor campaign reform to lower the amount of the permissible contributions. When that failed, I offered another amendment, thinking that surely this would satisfy the public financing supporters, which placed the figures and when this was defeated, I offered an amendment placing the figures at $2,000 for Presidential contests and $1,000 for Senate and House contests, but this also was defeated, and the Senate passed a $3,000 per election figure. However, the conference set the figure at $1,000 contribution per person per election, which is more in line with the views of the reform minded opponents of public financing.

Mr. President, those of us who have sought campaign reform and have opposed just turning the bill over to the taxpayer have had some little success in shaping the campaign reform aspects of the legislation that is now before us.

It is interesting to note that when the distinguished senior Senator from Tennessee (Mr. BAKER) offered his amendment to require candidates to disclose the size and source of all contributions and to provide that no contributions could be accepted after 10 days before the election, the reform-minded opponents of public financing supported this fine amendment that would have provided for disclosure.

By and large, whenever an opponent of public financing of taxpayer-subsidized financing, is found, one finds a person who advocates true campaign reform: cutting down the amount of authorized expenditures, cutting down on the amount of the permissible contribution, providing for more disclosure. This amendment of the distinguished Senator from Tennessee (Mr. BAKER) provided that a candidate had to disclose the size and source of all contributions and that he could not accept any contributions after 10 days before the election. During that period, he could not accept contributions.

It seems to me to be a fine disclosure provision, offered by an opponent of taxpayer-financed and subsidized elections, but a strong advocate of campaign reform.

Mr. President, while this bill S. 3044 was pending, I offered an amendment providing that no Member of the House or Senate could charge or receive any honorarium for speeches, appearances, or writings. The Senate defeated that amendment. They did not want any limitation on honoraria, the supporters of public financing, taxpayer-subsidized financing. They wanted the sky to be the limit, apparently, for contributions. So that was defeated, here, in the Senate.

However, the House grabbed hold of that idea, and provided that the honorarium limitation be $1,000 per appearance or writing or speech, with a total of $10,000 permissible. Well, the conference report comes here with $1,000 for each appearance or writing or speech, and a $15,000 limit. At any rate, there is some limit to it, rather than the sky being the limit, as at present. That is another area in which the reform-minded opponents of public financing did make their influence felt in the final conference report.

Mr. President, here, on the Senate floor, in a rare burst of economy for the taxpayer, the Senate adopted an amend-

ment that I offered reducing by 20 percent the amount which might be spent by each candidate—that is a 20-percent reduction. It was cut from 10 cents per person of voting age to 8 cents in primaries and from 15 cents to 12 cents per person of voting age as the amount that could be spent in a primary or a general election.

Let me hasten to add that the conference provided very well to nullify that fine step toward economy, that would have saved the taxpayers millions of dollars, by allowing as an exemption from this limit 20 percent of permissible expenditures, to be used for fundraising only. The effect of that amendment is to limit the figure to a candidate for the nomination of one of the major parties for the Presidency. The limit is $10 million in the primary for each candidate, half of which can be public. They topped that off with the cream of allowing $2 million, that is not counted, to be added to that for the expense of raising money.

Mr. CANNON. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. CANNON. That is not quite correct. The amount of 20 percent for fund raising purposes would be limited only to the private contribution part.

Mr. ALLEN. It would be $1 million.

Mr. CANNON. Yes, sir; $1 million would be the limit.

Mr. ALLEN. Very well. I stand corrected on that.

Instead of adding $2 million to the pot, it would add $1 million, on the theory that the $5 million coming from the government, from the taxpayers, does not have any expense. That is a reasonable provision.

The fact remains that it did add 10 percent overall, 20 percent—on the amount of the individual contributions. So it raised the amount that a candidate for the nomination for the Presidency could spend to $11 million; $5 million of which would be paid by the taxpayers.

Another amendment that the Senator from Alabama offered which remains in the conference report is this: The way the Senate bill was drafted, before a candidate for nomination for the Presidency of one of the major parties could get any matching funds, he would have to receive $250,000 in contributions of $250 or less, but he could get them all from one State. There was no prohibition against that; a popular candidate from New York, Pennsylvania, or Illinois could raise the $250,000 from one State and get all of his funds, including that $250,000 and all other contributions up to the permissible limit, matched by the taxpayers.

It did not seem right to allow that, so I offered an amendment that provided that such a candidate for the nomination would have to get at least $5,000 in matchable funds from each of 20 States, to assure that the candidate would have a nationwide following, since otherwise it would be fairly difficult, in each of 20 States, to get contributions of $5,000 in each from contributors of $250 or less.

The amendment was accepted by the manager of the bill, the Senator from Nevada (Mr. CANNON), and it is a good provision, as I believe all will concede, and would assure that the candidates would have substantial nationwide support.

Another major defect that I pointed out in the Senate debate was that there was no time set prior to which contributions to Presidential nomination candidates would be ineligible for matching. In other words, contributions now or a year ago would be eligible for matching contributions, and next year a person could set his sights on running in 1980, and be receiving contributions now for matching in 1980. There was practically no limit on how far back you could go in getting contributions, making the Government subsidy that much easier to obtain.

That was pointed out here on the Senate floor, and it was conceded by the manager of the bill—I believe at that time the distinguished Senator from Rhode Island was on the floor—that contributions to a candidate would be eligible for matching even if the candidate was running for a Presidential term several years distant. The conference report provides that contributions will be matched only if received on and after January 1 of the year preceding the year of the Presidential election involved. So, taking the next Presidential election for example, a candidate for the Presidency can start out on January 1 of next year receiving contributions. He can work all next year getting these $250 and less contributions. He could receive more, but there is no matching for the amounts over $250. He could work all year getting these matchable contributions, and then, on January 1, or 2—I imagine they would be closed down here on January 1, and he would have to wait until January 2—he could collect matching funds for all the contributions he collected in 1975, and he could match, then, everything he collected in 1976 up to the time of the convention.

Thus there would be a whole year where the candidate would be on his own. He would be eligible for matching, but it would not occur until the first of the next year. Without that provision, as I say, it would be dependent upon years in the past for matching. This would make it a little more sensible.

Strong arguments were made on the floor of the Senate against the $15,000,000 limit allowed for expenditures for Presidential nomination candidates, up to half of which could be matching funds from the Treasury. The conference report cuts this figure to $10,000,000 plus 20 percent for fundraising as to the private contributions, and provides that it must come out of the checkoff rather than out of the General Treasury. I believe that is a step in the right direction. We did not succeed in eliminating the public financing, but this is an amendment that will save many millions of dollars to the taxpayers.

So these are some of the areas in which the opponents of public financing did contribute to making this a better bill. As I say, there is much in the conference report that I favor, much that is good, much that I helped to get put into the bill. But inasmuch as the bill contains the public financing feature, I feel that I must, as a matter of principle, vote "nay" on the adoption of the conference report when it comes to a vote.

I have no intention of engaging in extended debate as to the report. I think if we are to have a taxpayer-financed procedure as to the Presidential election, the general election, it would not be so bad, but adding the cost of the dozens of candidates for the nomination for the Presidency of the two major parties, paying $2 million to each of the parties to put on a convention which is sometimes little better than a vaudeville show, I feel is a pretty high expense for the taxpayers to be called on to pay, $2 million to each party, and then to pay up to $5 million to finance these dozens of candidates who go up and down the land seeking the Presidency. So when the conference report comes up for adoption, the Senator from Alabama plans to vote "nay."

Mr. BIDEN. Mr. President, I wish to congratulate the Senate conferees, and particularly Senator CANNON, the chairman of the Committee on Rules, for the exemplary job done in a very difficult several weeks of trying to work out a compromise bill with the House. There are many features of the bill that I support.

Mr. President, on the first day of this month, conferees of the Senate and the House of Representatives agreed on details of a public financing campaign bill that we hope will eliminate the influence of "big money" and allied ills that characterize our present system of electing Presidents and Members of Congress.

I wish to add my "thank you" to the many others deservedly awarded this afternoon to Senator CANNON, chairman of the Rules Committee, who helped in a major way to work out a compromise between the Senate and the House-passed version.

I share the disappointment of many here in the Senate Chamber that the conference report does not include public financing of congressional primaries and generals. However, it does provide public financing for presidential contests. The bipartisan, 8-member supervisory board, established to enforce the provisions of the bill that I hope President Ford will sign into law, is a key feature of this legislation.

Our political terrain has been sadly sullied these last few years, Mr. President. Abuses have occurred that have shaken the confidence of the American people. But, Mr. President, I think that this compromise bill is a showing on the part of the Congress that it does intend to make amends, does intend to repair the damage to our campaign-financing system, hitherto privately financed.

I, for one, applaud these goals of a financially sane and stable and aboveboard system of camapign financing. In my judgment, this compromise, despite its flaws, should be a major step in that direction.

I do have reservations, just as the Senator from Alabama does, but for almost totally different reasons.

The Senator from Alabama distinguished between the aspects of the bill, which he titles "reform," and public fi-

nancing which he characterizes as not being reform. I would like to speak to the reform act part which limits spending that candidates can expend in seeking Federal elective office, particularly with regard to the Senate and House races.

We have been noble in our discussions about the need to get new blood into the political process. We are told that one of the primary reasons for this campaign reform bill is to encourage new persons, women and men, to get involved in running for high public office.

Then we have gone ahead in this bill, it seems to me, Mr. President, and we have severely limited the possibilities of contenders, challengers, to unseat incumbents, which everyone recognizes is a very difficult thing to do at best.

Mr. President, I am very concerned that we not lose sight of the shortcomings of this bill. I may very well be singing a different tune 4 years from now about this bill, with some provisions that may favor incumbents, when I will be eligible for reelection. I, as an incumbent, would be very happy about the fact that a challenger is limited to the same amount of money that I am limited to expend, which is low especially for the most populous States. Yet, in addition, I have a significant weapon in incumbency with the amount that I have available for my staff paid for by the taxpayers; the franking privilege; and other benefits of being an incumbent, which translate directly into immense benefit in an election year in terms of waging a campaign.

I would hope the reformers outside of Congress, the common causes of the world, who spend a good deal of time beating their breasts about what, in fact, is in the best interests of the Nation, also not lose sight of the fact that we are, in my opinion, may be going to be locking in many of us on this floor under the terms of this bill.

This bill may perhaps have exactly the opposite effect of what it is designed to do—opening up the process to newcomers. This is because of what I consider, as opposed to the Senator from Alabama, excessively low dollar amounts that are able to be expended or contributed.

When we talk about 12 cents per voter in a general election, and 10 cents per voter in a primary, in a State like California where we have 20 million residents, I suspect unknown candidates are going to have to spend all of that money just to become known as I was when in 1972 I sought the office of U.S. Senator. At that time, I was known by less than 3 percent of the people of my State 6 months before the general election. So an unknown candidate will have to spend every cent of that public-financing money just to get his or her name known. This does not leave money to inform what positions one takes, or to know anything about him or her, but merely to get the voters of that State to identify who the candidate is and that, in fact, he or she is a challenger.

Mr. President, I still am an ardent supporter of partial public financing. I have also been a strong supporter of many other of the provisions that are contained in this bill.

But the American public should be made aware that there is a tendency in the bill to lock-in the incumbents.

For example if, in fact, I had been limited to spending the amount of money set out in this bill in the little State of Delaware for the 1972 general election when I ran, there is a possibility that I would not be standing here today taking the time of the Senate at 5:30 in the evening, when everyone is anxious for me to stop talking and to go home. This bill would have made it more difficult for me to have won that election—not impossible, but more difficult. The bill is much harder on candidates in more populous States. I see my good friend from New York (Mr. BUCKLEY) over there smiling, I am not sure why—but my good friend, the Senator from New York, if he were in the position of having an unknown challenger the next time up, I suspect it would be very difficult for a challenger to mount a campaign whereby he or she gets to the point of being able to be known by 50 percent of the voters in that State. I hope I am wrong about that, but I just want to put the Senate on notice. I have not heard much about this, that if, in fact, I am right about this, that the so-called reformers, and especially we, who call ourselves moderates and liberals, the so-called reformers, will come forward and rectify what may develop into an onerous situation. Good things can be abused as well as bad things remedied.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. BIDEN. I yield.

Mr. ALLEN. Well, does this unknown challenger not benefit sometimes by how well known the incumbent is, which sometimes aids the challenger?

Mr. BIDEN. That is true, that often occurs. But the percentages do not back that up. If we look at the numbers over the 70 years of this century it shows that, as bad as some of the incumbents have been, it is easier to perpetuate a bad incumbent than elect a good unknown challenger.

There is an old saying in football: "You have to have somebody to beat somebody." I am not sure you can even convince the voters to beat somebody if that somebody does not get a chance to become known at all.

In sum, I think these spending limits in the bill are low. I think they militate and are weighted in favor of incumbents.

I hope, if I am correct, that, as I said, those who talk most about reform in this body will be prepared to come forward, and, at least, recognize the fact that low limits, in the larger States—not in Delaware—have the effect of diminishing the numbers of good women and men who might want to get into the political process but are unable to do so.

However, Mr. President, I do want to insist on the assets of the bill, too, amid my criticism.

I yield the floor.

The PRESIDING OFFICER (Mr. ABOUREZK). The Senator from New York.

Mr. BUCKLEY. Mr. President, I was smiling when the eloquent Senator from Delaware was talking about the advantages of incumbency and the stringent limits proposed by this bill because this is precisely one of my major complaints, but not the most major. I shall recite some of those later.

I addressed myself a week ago to the frustration of coming to this floor in order to debate legislation and then finding out that the report was not available.

When we began this debate at 3 o'clock the conference report was still not here. But I did, however, prepare some questions based on the earlier versions, and I would like to pose them to the distinguished sponsor of the bill so that I might have some clarification in my own mind and in the record. Perhaps these questions are not relevant to what has actually emerged from the conference and, if so, I am sure I will be so advised.

I would like to ask the distinguished sponsor whether he considers that the subsidy proposal and the limits on campaign contributions are independent proposals or are they integral parts of a comprehensive plan?

Mr. CANNON. I am sorry I was not in good enough attention so that I could hear what the Senator was saying.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order.

Mr. BUCKLEY. Does the distinguished Senator consider that the subsidy proposal and the limits on campaign contributions are independent proposals or are they integral parts of a comprehensive plan?

Mr. CANNON. Well, no, they are certainly independent. They were arrived at in a completely independent manner.

Mr. BUCKLEY. Did the committee consider proposing these two independent parts as two independent bills?

Mr. CANNON. No. The committee made no such proposal. The bill was enacted here on the floor and contained in the Senate bill the proposal for the public financing for the Presidential elections and also for the congressional elections. In addition, the Senate wrote its will with respect to the limit on contributions and the limit on expenditures. Now, these were not parts of different bills. It was all in one bill, and it was so considered by the House and by the conferees.

It is quite a little different, I may say, as the distinguished Senator from Alabama just pointed out, than it was when it was passed by the Senate.

Mr. BUCKLEY. Do the sponsors of the conference committee bill agree that subsidies to candidates are more necessary in Presidential than in congressional elections to provide for opportunities for participation without regard to the financial resources of individual candidates?

Mr. CANNON. Well, that I assume is what they believed by signing the conference report. The distinguished Senator from Alabama did not sign it. Some who signed the conference report are not overly enthusiastic about the financing part. But it was quite evident that the public financing, at least for Presidential races, was more important than that for congressional races, else the conference would have so indicated.

Mr. BUCKLEY. Should we, therefore, conclude that, in the opinion of the conference, there is a greater need to reduce

the pressure on Presidential candidates from large campaign contributions than there is to reduce such pressure on congressional candidates?

Mr. CANNON. I do not know that that would necessarily follow. But I would say that the recent experiences in Watergate certainly pointed up the dangers of large contributions, of the use of large amounts of cash, and I am sure that had it not been for Watergate, the facts of Watergate, that we would not have been able to have a public financing provision in this bill, just as the distinguished Senator from Alabama pointed out a little earlier, that when this came up in S. 372 this body defeated the public financing features, and that was just a short time ago, the year before last.

Mr. BUCKLEY. I conclude, therefore, that in the opinion of the conference, individuals running for the Senate or House are less subject to these monetary pressures than someone running for the Presidency?

Mr. CANNON. Well, I do not know that that particular issue was considered, as such.

I would just say, the conferees were up against a situation where the House was adamantly opposed to any public financing for congressional races, whatever their reasons may have been.

Among the Senate conferees, a group of us favored public financing for congressional races, but with the House remaining adamant it was not possible to carry that out.

There was no decision made that the Members of Congress were less suspect, or more suspect. That decision was simply not met.

But the Senate conferees were not unanimous in support of public financing for congressional races, that did come out of the Senate bill.

Mr. BUCKLEY. It is my understanding when the Senate originally considered the limitations that it was the conclusion that $90,000 was required to run a minimal, competent House race, yet the bill before us would limit House expenditures to $70,000.

Did the sponsors consider the effect that this $70,000 limit on candidate expenditures in the House would have on the chances of incumbents seeking reelection?

Mr. CANNON. Yes, the conferees did consider that, and the Senator is correct that when we passed the bill in the Senate, we wrote in the $90,000 figure for House Members.

We wrote it in thinking that was probably about the right amount, but, more importantly, we felt that the House itself should make that determination as to what was the approximately correct amount, and we made our own determinations as to what it should be in the Senate.

The House came back with a bill that had only $60,000, and I, for one, thought that was too low, and a number of our conferees did. We thought it was an incumbent bill as far as House Members were concerned with that kind of limit, it favored incumbents.

This was part of our trading package, as we do in conference. We finally got the House to come up by reason of some concessions we had to make to $70,000, plus the fact that one can use up to 20 percent for fundraising purposes.

That means that the total amount that the House Member could then spend is $84,000, which is not much below the $90,000.

There has been some talk about this fund raising limit that was put in that the House had, and I did not think of it here or I would have had it in myself. I do not think it is a proper figure to be included to say that if we are going out to put on a fundraising dinner and it costs $10 a person to put the dinner on and we charge $25 a person, that that $10 we have to pay for the dinner is going to be charged against the overall expenditure allowance in the campaign, because that is not what it is doing. It is helping to raise money, but it has to be shown.

If we were to go out in a mail campaign to solicit funds, as many candidates do, the cost of that mailing is rather substantial. In a Presidential race it is terrifically high, but even in a congressional race it is quite substantial. To say that is part of the expenditure limit for getting elected, I do not think is quite proper.

Therefore, I was very happy to go along with the House provision that one could spend up to 20 percent for fund raising purposes.

We do not get that exemption if we do not spend it for those purposes, and it is all fully reportable.

Mr. BUCKLEY. I thank the Senator.

Do the sponsors of the bill believe, as the Common Cause legal memorandum states, that:

Campaign contributions are all too often only an attenuated form of bribery.

Mr. CANNON. I am not familiar with that Common Cause memorandum and if the Senator wants to pose a question to me specifically as to what I think, I can give an answer to that, but I do not want to try to second-guess what somebody else is talking about.

Mr. BUCKLEY. Do the sponsors believe that certain forms of political advertising have become too persuasive? If so, do they regard the bill as a means of limiting the persuasiveness of such advertising?

Mr. CANNON. I cannot answer that in that context.

I would assume that all political advertising has some persuasive value, else it would not be used by candidates or by organizations.

I do not remember considering that precisely in the context in which the Senator has advanced it.

Mr. BUCKLEY. But it does not limit the amount of persuasiveness one can put into the atmosphere?

Mr. CANNON. Well, certainly, the amount one can spend, certainly, is going to limit the amount of persuasiveness one can put forward to the public, the overall amount.

That was the intention of these limitations, to limit the overall amount, because we felt that there ought to be a limit beyond which one cannot go in saturating the airways, the radio, the TV, newspapers, and the personnel expenditures, the hiring of people, billboards, and so on, and that is the basic reason to try to limit the cost somewhat and not get into a bought campaign.

Mr. BUCKLEY. Do the sponsors believe that financial contributions are an inherently more dangerous form of political activity than other forms of political action such as demonstrations, rallies, pamphleteering, doorbell ringing and telephone canvassing?

Mr. CANNON. I could not guess between them, I think all of those have some effect. It depends probably on the area one is in, the type, manner in which they are put forth, and the individuals involved.

We made no comparative judgment between those facts.

Mr. BUCKLEY. Do the sponsors believe that the bill will reduce the chances for third party candidates to make effective races for the Presidency?

Mr. CANNON. No. The intent precisely was to insure that this would not reduce the effectiveness of third-party candidates, that they should have a proper opportunity.

Now, all candidates, major and minor, independent or other, are treated alik with respect to matching grants for th primaries. Each must raise his threshold of $100,000 in each of 20 States, with only the first $250 of any contribution eligible for matching grants.

Of course, in the general election, candidates are treated in a different manner, depending upon whether they are the nominated candidates of a major party or a minor party.

A major party is one whose candidate received 25 percent or more of the vote at the last general election.

A minor party is one whose candidate received less than 25 percent but at least 5 percent of the vote at the last general election.

Major party candidates could receive full public financing up to $20 million limit. And minor party candidates could receive an amount reflecting the ratio of the votes cast for the minor party candidate to the average of the votes cast for all major party candidates.

In the case of minor party candidates and new party candidates, if the vote at the current general election is in excess of 5 percent and betters the percentage of votes cast at the last general election then the minor or new party candidate would be entitled to be reimbursed for expenditures made up to the difference as determined by the improved vote.

Now, we did this, specifically, to try to protect other than the major candidate.

Mr. BUCKLEY. But the fact is that, if one is a new party, until the ballots are actually cast there is no right of reimbursement or financing, therefore, to that extent, there is not equality treatment, is that correct?

Mr. CANNON. Well, if the Senator interprets it that way, the facts are correct. They would have to demonstrate a 5-percent appeal to the voters before they would be entitled to reimbursement. They would not be able to get any money before that time.

Mr. BUCKLEY. But they would have to finance the whole campaign before any rights of reimbursement?

Mr. CANNON. Correct.

Mr. BUCKLEY. The bill, therefore, does not enhance third-party efforts.

Mr. CANNON. I do not think one could say it either enhanced or did not enhance. It does not impose any penalty on them, just makes them prove they are bona fide candidates and have some voter appeal.

I think that should be true in the case of any candidate.

Mr. BUCKLEY. What distinction do the sponsors see between endorsing a candidate for the Presidency, on the one hand, and "discussing important issues" during the campaign on the other? I believe that distinction was made, or at least it was in an earlier version of this bill. I have no idea whether it applies to this bill.

Mr. CANNON. I do not quite follow what the Senator is referring to.

Mr. BUCKLEY. My understanding is that at least one version of this legislation—and I have not studied thoroughly this version—made a distinction between expenditures endorsing a candidate versus expenditures for the discussion of important issues during the course of a Presidential or congressional campaign.

Mr. CANNON. If I am interpreting what the Senator is asking correctly, if the question is whether or not the expenditure is made on behalf of the candidate, if its is made on behalf of a particular candidate, then it is going to be chargeable to him. Or, if it endorses a candidate, it is going to be chargeable to him in his overall limit.

On the other hand, if some organization comes out and discusses issues that are not related to an identifiable candidate, that is not chargeable to a candidate.

Mr. BUCKLEY. Let us assume that we were back in the days of the Vietnam war controversy, and in a given election one particular candidate—

The PRESIDING OFFICER. Will the Senator suspend so that we can have order in the Chamber? It is getting difficult to hear.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. BUCKLEY. I will.

Mr. MANSFIELD. Does the Senator intend to make a motion to recommit?

Mr. BUCKLEY. Yes.

Mr. MANSFIELD. Does the Senator intend to ask for the yeas and nays?

Mr. BUCKLEY. Yes.

Mr. MANSFIELD. Mr. President, I ask that it be in order at this time to ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask that there be a yea and nay vote on final passage of the conference report if the Buckley amendment is defeated.

The PRESIDING OFFICER. That is understood.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUCKLEY. You did not intend to suggest, I am sure, that my motion to recommit would be defeated.

[Laughter.]

The PRESIDING OFFICER. The Chair takes notice of that.

Mr. BUCKLEY. I am not sure we have the answer to the question I was posing, namely the distinguished sponsor states that expenditures on a particular candidate obviously are chargeable. But if a particular candidate is the only one in a campaign identified with a particular issue, and there is a massive expenditure of money to advance that point of view, never mentioning the candidate but just talking about the desirability in the case of withdrawing from Vietnam, that, I understand, the sponsors have unrelated to a campaign and, therefore, not chargeable.

Mr. CANNON. We have not tried to infringe on first amendment rights in this. We have tried to protect first amendment rights. We have permitted an individual himself to go out and spend $1,000 on his own, assuming he does not have the authority of a candidate. There is no way that I can see that we could prohibit somebody from paying money to discuss issues. However, if it is either for the benefit of an identifiable candidate, or if it is to oppose an identifiable candidate, there are requirements in here that would limit them, one, to charge the amounts of the expenditures to his overall limit, if it is for him, and the other to place a limit on what people can spend in attempting to oppose him.

Mr. BUCKLEY. May I ask whether the Senator has considered the case where there are three candidates and funds are used to oppose one candidate? How does one charge that expenditure?

Mr. CANNON. If funds are used to oppose one, I guess it would have to be allocated to the one who is more nearly in tune with the thoughts being advocated. But I cannot foresee that that situation is likely to occur.

Mr. BUCKLEY. I would like to respectfully suggest that it occurred in my campaign, and in the final weeks there were full-page ads and television spots saying, "Don't vote for Buckley." There were two other candidates whose views were indistinguishable. I am not sure how we would handle that situation.

Mr. CANNON. This would be for the commission to develop in their regulations after they are appointed, to develop this sort of thinking. I am sure a complaint to the commission would put a stop to that sort of thing, if it were not in violation of the first amendment rights.

Mr. BUCKLEY. I have just a final question. Do the sponsors regard the communication by an organization to its membership with regard to a particular candidate a different form of persuasion than a similar communication to nonmembers?

Mr. CANNON. Yes, because an organization can communicate with its members. That is quite different from communicating with the general public.

There is a provision in the bill, section 308, that permits an organization to communicate with its members.

Mr. BUCKLEY. Mr. President, This morning I attempted to obtain a copy of the conference committee report on the bill we are now debating. It was unavailable so I have not had a chance to study it. I question the wisdom of voting substantially in the dark on legislation that could alter the way we select our representatives without ever having a chance to see the bill.

When we debated the Senate version of this legislation early this spring, a number of us pointed out practical and constitutional deficiencies in the bill. I said at that time that the bill might accurately be described as the Incumbent Protection Act of 1974.

To offer this bill in the name of reform is an act of unprecedened cynicism.

It is hard to imagine a measure better designed to protect incumbents running for reelection. The artificially low spending limits are demonstrably inadequate and will keep challengers from getting off the ground in House, Senate and, yes, Presidential races. The advantages of incumbency are legendary. According to Common Cause figures, successful challengers for House seats in 1972 spent, on the average, well over $100,000. Yet this bill would limit candidates for the House to $70,000, a sum grossly inadequate to conduct a campaign on a basis of parity.

When enacting legislation that deals with the political activities of American citizens, the Congress is well advised to remember the words of Mr. Justice Holmes, dissenting in Abrams against United States:

> . . . when men have realized that time has upset many fighting faiths they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market. . . .

The campaign reform bill, as reported by the conference committee, does much to weaken the ideals of Holmes that have now become law. In Yale Law School Professor Ralph Winter's felicitous phrase, these "price controls in the marketplace of ideas" are necessarily violative of the freedoms guaranteed to the citizens by the first amendment. That amendment has long been used to defend the rights of unpopular groups to make their positions known, but it applies with no less force when the rights of the great majority of Americans are threatened and infringed.

Limiting the amounts that candidates can spend in election campaigns offends the first amendment in several ways. As Ralph Winter put it:

> Setting a limit on candidate expenditures sets a maximum on the political activities in which American citizens can engage and is thus unconstitutional. The reasoning that speech which costs money is too persuasive cannot be contained. For one can also argue that demonstrations of more than a certain number of people, extensive voter canvassing, or too many billboards with catchy slogans also "distort" public opinion and also ought to be regulated.

It is particularly disturbing that Senators who had heretofore been considered civil libertarians have rushed to support

this measure without considering alternative means, less drastic in their scope, of accomplishing their purposes. The fear of overly persuasive campaigns, particularly when expressed by incumbent members of Congress, strikes dangerously close to prohibited suppression of speech because of its content. It must certainly give the Supreme Court pause when they see officeholders with vested interests in remaining officeholders passing legislation that restricts the ability of potential opponents and average citizens alike to alter the political makeup of the Congress.

The Supreme Court in numerous cases has held that the first amendment includes within its ambit a freedom of association, and that such freedom is crucial to political activity. By setting limits on individual contributions, whether or not such contributions are to candidates or to independent groups, the conference committee bill directly infringes on the freedom of association. Are we really prepared to tell the American people that they may participate financially in elections only if they work through the candidates' existing organization? After learning of the activities of the Committee to Re-elect the President in 1972, this is truly an amazing "reform" to emerge from Watergate.

At the very least, Mr. President, we should seek equity between challenger and incumbent. To this end, I am moving to recommit the bill to the conference committee with instructions that I will set out. We must insure that elected officials are responsive to their constituents; incumbency—particularly as buttressed by the bill as presently written—does much to destroy responsiveness. At a time when many Americans question their basic political institutions, weakening the consent of the governed is the height of foolishness. As Prof. Alexander M. Bickel has recently noted:

What is above all important is consent—not a presumed theoretical consent, but a continuous active one, born of continual responsiveness. There is popular sovereignty, and there are votes in which majorities prevail, but that is not nearly all. Majorities are in large part fictions. They exist only on election day and they can be registered on a very few issues. To be responsive and to enjoy consent, government must register numerous expressions of need and interest by numerous groups, and it must register relative intensities of need and interest.

As I have stated, this motion to recommit does not eliminate all of the problems inherent in the bill as written.

One of the several points I make is that there are still some very serious constitutional questions with this legislation and, secondly, with all due deference to the conferees, I believe this bill in the name of reform is an act of unprecedented cynicism.

It is hard to imagine a measure that is better designed to protect incumbents. I say this on the authority of Common Cause which presented figures showing that the only successful challenges in House races 2 years ago were those that spent in excess of $100,000 on the average, to overcome the notorious advantages of incumbency.

At least I shall try not to be negative.

Mr. President, I send to the desk a motion to recommit with instructions that are designed to inject into this some sort of equity as between incumbents and challengers.

Mr. MANSFIELD. Will the Senator yield for 1 minute?

Mr. BUCKLEY. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that while the first vote will take 15 minutes, that the second vote, which I understand may well follow, be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Vote.

Mr. BUCKLEY. I would like to say what this motion does, Mr. President. It would merely provide that challengers would be allowed to spend 30 percent more than the limitations that are applicable to incumbent candidates.

Mr. LONG. Mr. President, I wish to congratulate the Senator from Nevada (Mr. CANNON) and his associates for the very fine job that they did under the leadership of the distinguished chairman of our conferees, for their very fine work in moving forward in an attempt to assure that the person who is the President of the United States will be President because a majority of the people agree with the arguments that he has to make, and not because someone is better able to contribute to someone's campaign fund than those available to contribute to the other man.

I have been working in this area for a number of years now, Mr. President, since 1966.

I would like to discuss the background and the history of this, and the contribution made by a number of Senators.

The PRESIDING OFFICER. Does the Senator wish to call up his motion to recommit?

Mr. BUCKLEY. I call up my motion to recommit.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

MOTION TO RECOMMIT WITH INSTRUCTIONS

That the conference report on the bill (S. 3044) be recommitted to conference, with instructions to the Senate conferees to insert the following subsection at the appropriate place in section 608 of title 18, United States Code, as amended by the conference report:

"( )(1) The expenditure limitations under this section apply to incumbent candidates. Nonincumbent candidates are subject to an expenditure limitation of 130 percent of any limitation applicable to an incumbent candidate.

"(2) For purposes of this subsection, an incumbent candidate is a candidate who—

"(A) holds an office to which he seeks reelection, or holds public elective office for which the voting constituency is the same as, or includes, the voting constituency of the office to which he seeks election, or

"(B) has, within the 5 years preceding the election, held such an office.".

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit with instructions. The yeas and nays have been ordered.

Mr. CANNON. Mr. President, I am sure that is subject to a point of order, but I am perfectly willing to have a vote on the matter, on the motion to recommit, because it does suggest matters that were not the subject of either of the bills and therefore could not be permitted for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from North Carolina (Mr. ERVIN), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. ERVIN) and the Senator from Indiana (Mr. HARTKE) would each vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "nay."

The result was announced—yeas 17, nays 61, as follows:

[No. 465 Leg.]

YEAS—17

Allen	Chiles	Nunn
Bartlett	Cotton	Thurmond
Biden	Curtis	Tower
Brock	Gurney	Weicker
Buckley	Helms	
Byrd, Harry F., Jr.	Hruska	
	McClure	

NAYS—61

Abourezk	Huddleston	Nelson
Baker	Hughes	Pastore
Bayh	Humphrey	Pearson
Beall	Jackson	Pell
Brooke	Javits	Percy
Burdick	Johnston	Proxmire
Byrd, Robert C.	Kennedy	Randolph
Cannon	Long	Ribicoff
Case	Magnuson	Roth
Clark	Mansfield	Schweiker
Cranston	Mathias	Scott, Hugh
Domenici	McClellan	Stennis
Eagleton	McGee	Stevens
Eastland	McGovern	Stevenson
Fannin	McIntyre	Symington
Fulbright	Metcalf	Taft
Hansen	Metzenbaum	Talmadge
Hart	Mondale	Tunney
Haskell	Montoya	Williams
Hathaway	Moss	
Hollings	Muskie	

NOT VOTING—22

Aiken	Dominick	Inouye
Bellmon	Ervin	Packwood
Bennett	Fong	Scott, William L.
Bentsen	Goldwater	Sparkman
Bible	Gravel	Stafford
Church	Griffin	Young
Cook	Hartke	
Dole	Hatfield	

So Mr. BUCKLEY's motion to recommit the conference report with instructions was rejected.

The PRESIDING OFFICER. The question recurs on the adoption of the conference report. The yeas and nays have been ordered.

Mr. STEVENS. Mr. President, just 1 minute. I should like to clarify something, if I may, with the manager of the bill.

A provision of this bill amends section 1502 of title 5 relating to the activity of State or local employees in Federal campaigns. Specifically, it takes out subsection (a)(3), which prohibits a State or local officer or employee from taking an active part in political management or political campaigns, and substitutes for that a prohibition from being a candidate for Federal office.

It is my understanding, and I should like to ask the manager of the bill, my friend from Nevada (Mr. CANNON), if he agrees that this means that State laws which prohibit a State employee, or local laws which prohibit a local employee, from engaging in Federal campaign activities and Federal campaigns are still valid?

What we are doing is taking out of the Federal law the prohibition against State or local employees from taking an active part in political management or political campaign? Is that correct?

I think it is quite important, because many of our States have the so-called little Hatch Act, and it was not our intent to repeal those "little Hatch Acts," or to modify them, but to take it out of the Federal law so that Federal law does not prohibit those activities, leaving it up to the State to do so.

Mr. CANNON. The Senator is absolutely correct. Section 401 of the House amendment amended section 1502 of title 5, U.S. Code, relating to influencing elections, taking part in political campaigns, prohibitions, and exceptions, to provide that State and local officers and employees may take an active part in political management and in political campaigns, except that they may not be candidates for elective office.

The conference substitute is the same as the House amendment. It was the intent of the conferees that any State law regulating the political activity of State or local officers or employees is not preempted, but superseded. We did want to make it clear that if a State has not prohibited those kinds of activities, it would be permissible in Federal elections.

This would get away from the situation in which the Federal Government gives the State funds toward many different programs, and some of those employees have been fearful that they could not participate in Federal campaigns. This would eliminate that problem.

Mr. STEVENS. It is up to the State to determine the extent to which they may participate in Federal elections?

Mr. CANNON. The Senator is right. The States make that determination.

Mr. JAVITS. Mr. President, I believe S. 3044 represents a real step forward in campaign reform. However, I am disappointed that it does not provide public financing at the very least on a matching basis for Senate and House races. I remain convinced that this is the only way to truly reform political campaigns and I intend to work for that reform.

The bill provides limits on expenditures and on contributions which I support but I am going to work on measures to more nearly equalize incumbents and challengers than under the present bill. A most important feature of the bill is the independent Federal Elections Commission which will enforce the new law. The Commission will have the power to bring civil suits under the new law and will be a great improvement over the present weak system.

I also believe that the extension of the tax checkoff to the Presidential nominating system is useful and at least a step toward total public financing. Finally additional disclosure after an election has been added to the law and it was my amendment in the Senate which was incorporated in the final version in slightly different form.

Congress has now passed its second campaign reform bill in 3 years after no action in this area since 1925. I believe that is progress and shows that Congress is living up to its responsibilities and is trying to reform our campaign practices to avoid the tragedies of Watergate. I intend to dedicate myself to the further improvement of our political system through greater campaign financing changes in the future.

Mr. President, the concern of the legislative leaders of both parties in the State of New York that New York political campaigns be free from the "dirty tricks" and other regrettable incidents of Watergate led the legislature to appoint a Citizens Advisory Committee in 1973 to recommend a revision of the New York State campaign laws.

Among the recommendations of that committee was the enactment of a fair campaign code. Following the issuance of that report, New York State in 1974 adopted a strict new campaign law under the administration of a new State board of elections.

One of the first obligations of the State board of elections was to adopt a fair campaign code setting forth ethical standards of conduct for those engaged in election campaigns in the State. The code is subject to enforcement by the board of elections and includes civil penalties of up to $1,000 for violations of the code. I believe this code is of interest to the entire country.

The code was prepared by the new board of elections and under the chairmanship of former Supreme Court Justice Arthur Schwartz, Vice Chairman Remo J. Acito, and Commissioners Donald Rettaliata and William H. McKeon.

To insure that the proposed code had the broadest input from those best qualified to comment on these issues, the board established a special advisory committee representing a broad spectrum of experts. The advisory committee members were Congressman HERMAN BADILLO; Mrs. Myrna Baron of the New York City League of Women Voters; Ben Davidson, executive director of the liberal party; Seymour Graubard, national chairman of the Anti-Defamation League of B'nai B'rith; William Lawless, former State supreme court justice and former dean of Notre Dame School of Law; Cynthia Lefferts, New York State legislative director for Common Cause; Seraphin Maltese, executive director of the conservative party; Charles G. Moerdler, a New York City attorney; Whitney North Seymour, Jr., former U.S. attorney and president of the New York State Bar Association; Gary Sperling, executive director of the Citizens' Union; Cyrus R. Vance, former Deputy Secretary of Defense, Ambassador, and current president of the Association of the Bar of the City of New York; Charles E. Williams III, assistant counsel of NAACP Legal Defense and Educational Fund; and Judith T. Younger, dean of Syracuse University College of Law, all under the chairmanship of Robert M. Kaufman, my former legislative assistant, who is now chairman of the Special Committee on Campaign Expenditures of the New York City Bar Association.

Mr. President, I ask unanimous consent that the text of the State of New York fair campaign code, together with a forward and related material, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF NEW YORK FAIR CAMPAIGN CODE

State board of elections: Arthur H. Schwartz, Chairman; Remo J. Acito, Vice Chairman; Donald Rettaliata, William H. McKeon.

SEPTEMBER, 1974.

FOREWORD

The State Board of Elections was changed by law with promulgating and adopting a "Fair Campaign Code" setting forth ethical standards of conduct for persons, political parties and committees engaged in election campaigns.

Publication of the Code, as set forth in this pamphlet, is the culmination of a lengthy developmental process, a process that has included: the holding of public hearings in New York City, Buffalo, and Albany, consultation with various state and national organizations interested in the area of election reform, including the Senate Select Committee on Presidential Campaign Activities, the Fair Campaign Practice Committee, both of which have had experience in the national area, the Secretary of the United States Senate, the Clerk of the United States House of Representatives and the Controller General; recent reports recommending action in the area of reforming campaign practices; examination of pertinent regulations and legislation adopted by our sister states; the aid and advice of a political science consultant of recognized experience and stature in this field; and finally, the opportunity for review and comment by a broad-based citizens' advisory panel.

This is the first Fair Campaign Code which is reinforced by regulations and compliance with which is mandated. It is one which carries with it an obligation by those involved in political campaigns to obey or else run the risk of criticism, denunciation, or a fine, in addition to other penalties, criminal and civil, which may be invoked depending upon the nature of the infraction.

A fundamental purpose of the Code is to protect the public against immoral and unethical activities, and as stated by the Legislature, "to maintain citizen confidence in and full participation in the political process of our state to the end that the government of this state be and remain ever regionable

to the needs and dictates of its residents in the highest and noblest traditions of a free society."

The Board believes that this Code provides an excellent vehicle through which to achieve this purpose. We are well aware, however, that for the Code to be successful, it must receive the active support of candidates, their committees and agents, as well as that of the people of this state. To that end, the Board shall exercise its power to ensure your cooperation and full compliance with both the latter and the spirit of the Code's provisions.

FAIR CAMPAIGN CODE

In order that all political campaigns be conducted under a climate promoting discussions of the issues, presentation of the records and policies of the various candidates, stimulating just debate with respect to the views and qualifications of the candidates and without inhibiting or interfering with the right of every qualified person and political party to full and equal participation in the electoral process, the following is hereby adopted by the New York State Board of Elections pursuant to section four hundred seventy-two of the election law as the Fair Campaign Code for the State of New York.

No person, political party or committee during the course of any campaign for nomination or election to public office or party position shall, directly or indirectly, whether by means of payment of money or any other consideration, or by means of campaign literature, media advertisements or broadcasts, public speeches, press releases, writings or otherwise, engage in or commit any of the following:

1. Practices of political espionage including, but not limited to, the theft of campaign materials or assets, placing one's own employees or agent in the campaign organization of another candidate, bribery of members of another's campaign staff, electronic or other methods of eavesdropping or wiretapping.

2. Political practices involving subversion or undermining of political parties or the electoral process including, but not limited to, the preparation or distribution of any fraudulent, forged, or falsely identified writing or the use of any employees or agents who falsely represent themselves as supporters of a candidate, political party or committee.

3. Attacks on a candidate based on race, sex, religion or ethnic background.

4. Misrepresentation of any candidate's qualifications including, but not limited to, the use of personal vilification, character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his staff or his personal or family life, use of the title of an office not presently held by a candidate, use of the phrase "reelect" when, in fact, the candidate has never been elected to the office for which he is a candidate.

5. Misrepresentation of any candidate's position including, but not limited to, misrepresentation as to political issues or his voting record, use of false or misleading quotations, attributing a particular position to a candidate solely by virtue of such candidate's membership in any organization other than his political party which might have issued a statement advocating or opposing any particular position.

6. Misrepresentation of any candidate's party affiliation or party endorsement or endorsement by persons or organizations including, but not limited to, use of doctored photographs or writings or fraudulent or untrue endorsements. In any case where a person or organization endorsing the candidate has been paid by the candidate or someone on his behalf, a statement signed by the candidate and stating the consideration for the endorsement shall be filed within twenty-four hours of the endorsement in the office in which the candidate is required to file his statements under section four hundred seventy-seven of the election law.

7. Misrepresentation of the content or results of a poll relating to any candidate's election; also, failure to disclose such information relating to a poll published or otherwise publicly disclosed by a candidate, political party or committee as required to be disclosed by rule or regulation of the New York State Board of Elections.

8. Any acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote or voting.

Statutory authorization:

"The State Board of Elections, after public hearings, shall adopt a 'fair campaign code' setting forth ethical standards of conduct for persons, political parties and committees engaged in election campaigns including, but not limited to, specific prohibitions against practices of political espionage and other political practices involving subversion of the political parties and process, attacks based on racial, religious or ethnic background, and deliberate misrepresentation of a candidate's qualifications, position on a political issue, party affiliation or party endorsement."

Penalties:

"In addition to any other civil or criminal penalty which may be provided for by law, the State Board may impose a civil penalty, not to exceed one thousand dollars, upon any person found by the Board, after a hearing, to have violated any of the provisions of such code."

For further information, Contact: New York State Board of Elections, 194 Washington Avenue, Albany, New York 12225.

Mr. HUMPHREY. Mr. President, the election of 1972, and the Watergate revelations since then, have hammered an indelible impression into the mind of every American citizen about the election process and how campaigns are financed. Secret funds, illegal contributions, slush funds, and laundered millions, only begin the long list of affronts to the American people. Mr. Jeb Stuart Magruder, when asked by the Senate "Watergate" Committee what he considered to be the major impetus for his and other questionable election activities, simply replied, "Too much money."

Mr. President, today this Congress has addressed that problem directly with the most comprehensive campaign finance reform measure in the history of the United States, the Federal Election Campaign Act of 1974. Some critics will say that too much money has been compromised by the conferees on this legislation. Personally, I would have preferred the stronger Senate version of the bill. But it is now time to focus upon the progress in reform which will be made through this act. No single piece of legislation before this Congress in this session has more potential for cleaning up American politics and restoring confidence in the integrity of our political system and the individuals who work for it.

All elected public officials know that scrounging for funds to bring your case to the electorate is a demeaning experience. We all dread asking people for money to help us finance our campaigns. As one who has run for mayor, Senator and President, I can appreciate, perhaps more than some others, the importance of the changes which we are making in the campaign finance process here today.

It was out of a strong concern for reform in our campaign finance system that I supported legislation initiating the dollar checkoff and authored the amendment which put it on the front of the income tax form where people could see it and use it.

The amount of money a politician can raise is no measure of democratic responsibility by a candidate for public office. With the passage of the Federal Election Campaign Act amendments, we can help restore the faith of the people in their Government. The linkage between the electorate and elected public officials will be improved by this bill.

Mr. President, it is gratifying for one who has labored long in the vineyard of public campaign finance to see such a progressive and creative reform in our system of election campaigns. I have been a vocal advocate of expanded public financing of Federal elections for many years. I strongly support the provisions of the legislation which calls for the use of public funds for the financing of Presidential election campaigns. I fully agree with provisions setting strict limits on spending and contributions. I also have been a strong advocate of the establishment of an independent supervisory board to administer the law, which is part of this bill.

I think the Federal Election Campaign Act Amendments of 1974 does the job that needs to be done. There is room for improvement, but it permits Congress to take a big step in the right direction of campaign finance reform.

ANOTHER STEP TOWARD A REFORMED POLITICAL SYSTEM

Mr. MATHIAS. Mr. President, I rise to support the conference bill on campaign reform reported by the conference committee on which I served.

This bill will conclude another chapter in our efforts toward a reformed political system for America. It cannot be the last chapter, unfortunately, for the bill before us is not as broad in scope as the problems which Watergate so starkly presented for all Americans.

But this bill does represent a major step forward. For the first time, we will have a strong and independent commission to oversee all Federal elections and enforce Federal laws pertaining thereto. For the first time, we will have reasonable limits on both campaign contributions and campaign spending. For the first time, we have insured that Presidential campaigns, both in the primaries and the general election, will not be dependent on huge gifts of money from special interests.

These are historic reforms. They are possible today only because thousands of Americans cared enough to devote their time and effort to the cause of bringing this bill before us today. Organizations such as Common Cause, the National Committee for an Effective Congress, the Center for Public Financing, the League of Women Voters, and business and labor organizations throughout the country, have all played a major role in giving us the opportunity to vote on this legislation today.

Nor should the earlier voices raised in

this cause be forgotten. President Theodore Roosevelt called for public financing in 1907 and a generation later Senator Henry Cabot Lodge renewed the fight that is being won today.

These organizations have been joined by thousands of individual citizens, who demonstrated that they are as dedicated as were our constitutional framers, to a system of free, vigorous, fair, and meaningful elections. Without the support of these citizens, we would not have this bill before us.

In 1971 I was pleased to join many of my colleagues in working for the Federal Elections Campaign Act of 1971. That bill, which contained some 13 amendments which I offered on the Senate floor, established for the first time the principle that all large contributions should be publicly disclosed—that campaigns were public business. It was followed by the "tax checkoff" amendment to the Revenue Act of 1971 which permitted an individual American to express support for a system of public financing for Presidential campaigns by designating $1 of his or her taxes for this purpose. The response to the checkoff has been very encouraging, and it is appropriate that this bill extends the scope of the checkoff to primary campaigns, and insures that all money designated by the taxpayer will be available for candidates, if needed.

In 1972, I cochaired, with Senator STEVENSON, the Ad Hoc Committee for Congressional Reform. During the public hearings of this informal committee, we focused on the need for legislation of the type which we will vote on shortly. As a result of these hearings, and of the widespread concern evidenced throughout Maryland, I introduced a bill with Senator STEVENSON, and another with Senator HART, which together contained the major features of the legislation before us.

The public response to these initiatives was strong and positive. I testified before the Senate Rules Committee last September in favor of this legislation, and joined with the distinguished members of that committee in supporting the bill, S. 3044, which was reported to the floor.

In one major area, however, I feel that the bill before us now is insufficient. That is the area of public financing for congressional campaigns. The Senate expressed its view overwhelmingly in support of such a system when S. 3044 was before us last spring. Gallup and other nationwide polls have demonstrated that the American people support public financing for Congressional races by a majority of almost 2 to 1. And I have found very strong support for this basic reform as I have talked to citizens throughout my State.

Unfortunately, however, the House conferees were adamant that this bill contain no such provisions. As conferees for the Senate, we explored every possible alternative with the House. We offered to reduce the extent of public financing, to limit it to general election campaigns only, to postpone the effective date to 1978 or 1980, and even to limit it to Senate campaigns only. Yet the House conferees unanimously rejected each of these attempts at compromise, and it became clear that the only way to enact the major reforms which this bill contains was to recede from the Senate's position in favor of Congressional public financing. I regret the necessity for such action, but I feel confident that our position will prevail in time.

Finally, I want to thank a number of my colleagues whose support of this legislation has been of vital importance. These include the Senator from Nevada (Mr. CANNON), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Louisiana (Mr. LONG), the Senators from Rhode Island (Mr. PELL and Mr. PASTORE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Illinois (Mr. STEVENSON), the Senator from Michigan (Mr. HART), the Senator from Vermont (Mr. STAFFORD), the Senator from Iowa (Mr. CLARK), and the Senator from California (Mr. CRANSTON). Appreciation should be extended as well to the committee staff headed by Mr. James Duffy.

Mr. PELL. Mr. President, I am pleased to add my firm support to the conference report we are considering.

As a conferee, I had the privilege of sharing in the deliberations between Senate and House which led to the agreements we have reached.

I am disappointed that the Federal Election Campaign Act Amendments of 1974 does not contain stronger provisions for public financing. I continue to believe in this goal as a most important priority for the future.

As chairman of the Senate Subcommittee on Elections, and as the one whose legislation formed the basis for committee consideration of public financing, I worked to extend this significant concept and reform to congressional elections. I believed that the time was especially propituous for this action.

The House conferees, however, were unanimous in their opposition. To me the question was between achieving a bill with some measure of truly meaningful reform and no bill at all.

I am pleased we have achieved some notable success:

First. We have extended public financing to Presidential primaries.

Second. We have agreed to a Federal Election Commission with an ability to act independently, and with some—if not all—of the enforcement authority recommended by the Senate.

Third. We have achieved new, realistic and salutory limits to campaign spending. In so doing we have reduced the possibilities of corruption by special interests, and the possibilities of abuse of power by those subject to such corruption.

The bill may not be a giant stride forward in election reform—I believe the Senate bill could have provided such a major advance. But the legislation which has emerged from our conference, nonetheless, takes very important and history-making new steps in the right direction.

A GIANT FIRST STEP

Mr. MONDALE. Mr. President, this is an historic day for the Senate. The campaign finance reform legislation we will vote on this afternoon represents months and years of work by many dedicated people, both in and out of the Congress. It is our best and most constructive response to the terrible abuses of Watergate.

I am especially pleased that the bill incorporates the provisions for public financing of Presidential primaries sponsored by Senator SCHWEIKER and myself in the Senate, and by Congressman JOHN BRADEMAS in the House.

This blended system of public and private financing of Presidential primaries will encourage small private contributions, and lessen the dependence of candidates on wealthy and powerful special interests. Candidates will be free, as they should be, to serve only their conscience and their constituents.

While I regret that public financing was not extended to House and Senate elections, I believe the legislation we will approve today has laid the needed groundwork for public financing of all Federal elections. It is only a first step, but it is a giant one.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD the following material which has been prepared by the Center for Public Financing of Elections: A summary of the campaign reform bill; an article entitled "Public Financing of the Presidential Campaign"; and a chart showing the spending limits for Senate candidates.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CAMPAIGN REFORM BILL—A SUMMARY (FEDERAL ELECTIONS CAMPAIGN ACT AMENDMENTS OF 1974)

CONTRIBUTION LIMITS

Limits on individual contributions

$1,000 limit on amount an individual may contribute to any candidate for U.S. House, Senate, or President in primary campaign (Presidential primaries treated as single election).

$1,000 limit on contribution to any federal candidate in general election (run-offs and special elections treated as separate elections; separate $1,000 limit applies).

No individual may contribute more than $25,000 for all federal campaigns for entire campaign period (includes contributions to party organizations supporting federal candidates).

No more than $1,000 in independent expenditures on behalf of any one candidate for federal office per entire campaign is permitted.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on Organization Contributions (to qualify as an organization, must be registered with Elections Commission for six months, receive contributions from more than 50 persons and, except for state party organizations, make contributions to at least five candidates).

$5,000 limit on amount an organization may contribute to any candidate for U.S. House, Senate, or President in primary election campaign (Presidential primaries treated as single election).

$5,000 limit on contributions to any federal candidate in general election (run-offs and special elections treated as separate elections; separate $5,000 limit applies).

No more than $1,000 in independent ex-

penditures on behalf of any one federal candidate during entire campaign period.

No limit on aggregate amount organizations may contribute in campaign period, nor on amount organizations may contribute to party organizations supporting federal candidates.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on candidate contributions to own campaign

President: $50,000 for entire campaign.
Senate: $35,000 for entire campaign.
House: $25,000 for entire campaign.

Limits on party contributions

National and state party organizations limited to $5,000 in actual contributions to federal candidates, but may make limited expenditures on behalf of its candidate in general election [see spending limits].

Spending limits (Existing limits on media spending repealed. Total candidate spending limit includes basic limit, plus 20 percent additional permitted for fund-raising, plus limited spending by parties in general election.)

Party Conventions: $2 million for national nominating convention.

Presidential candidates

Primary: $10 million basic limit; in addition, candidate allowed to spend 20 percent above limit for fund-raising—total $12 million. In any presidential primary, candidate may spend no more than twice what a Senate candidate in that state is allowed to spend. [See chart for Senate limits.]

General: $20 million basic limit. (Presidential candidate not opting to receive public financing would be allowed to spend an additional 20 percent for fund-raising.)

Party: National Party may spend 2¢ times Voting Age Population, or approximately $2.9 million, on behalf of its Presidential nominee in general election.

Senate candidates

Primary: 8¢ x VAP of state or $100,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising. [See attached chart for state by state amounts.]

General: 12¢ x VAP of state or $150,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising.

Party: In general election, 2¢ x VAP or $20,000, whichever is higher, by national party, and 2¢ x VAP or $20,000 by state party. [See attached chart for state totals.]

House candidates

Primary: $70,000. Additional 20 percent of limit allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same amount as Senate candidate in that state.

General: $70,000. Additional 20 percent allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same as Senate candidate in that state.

Party: In general election, $10,000 by national party and $10,000 by state party on behalf of House candidates.

PRESIDENTIAL PUBLIC FINANCING (FROM DOLLAR CHECK-OFF FUND)

General election

$20 million in public funds; acceptance optional. Major party nominee automatically qualifies for full funding; minor party and independent candidate eligible to receive proportion of full funding based in past or current votes received. If candidate receives full funding, no private contributions permitted.

Conventions

$2 million; optional. Major parties automatically qualify. Minor parties eligible for lesser amount based on proportion of votes received in past or current election.

Primaries

Federal matching of private contributions up to $250, once candidate has qualified by raising $100,000 ($5,000 in each of 20 states) in matchable contributions. Only first $250 of any private contribution may be matched. The candidates of any one party together may receive no more than 45 percent of total amount available in the Fund; no single candidate may receive more than 25 percent of total available. Only private gifts raised after January 1975 qualify for matching for the 1976 election; no federal payments will be made before January 1976.

Enforcement

Creates 6-member Federal Elections Commission responsible for administering election law and public financing program, and vested with primary civil enforcement.

President, Speaker of House, and President Pro-Tem of Senate each appoint two members (of different parties), all subject to confirmation by both Houses of Congress. (Such members may not be officials or employees of any branch of government at time of appointment.)

Secretary of Senate and Clerk of House to serve as ex-officio, non-voting members of the Commission, and their officers to serve as custodian of reports for candidates for Senate and House.

Commissioners to serve full-time, six-year, staggered terms. Rotating one-year chairmanship.

Commission to receive campaign reports; make rules and regulations (subject to review by Congress within 30 days); maintain cumulative index of reports filed and not filed; make special and regular reports to Congress and President; serve as election information clearinghouse.

Commission has power to render advisory opinions; conduct audits and investigations; subpoena witnesses and information; initiate civil proceedings for relief.

Criminal violations to be referred to Justice Department for prosecution; provision for advancing cases under the Act on the court docket, and judicial review.

REPORTING AND DISCLOSURE

Candidate required to establish one central campaign committee; all contributions and expenditures on behalf of candidate must be reported through this committee. Also requires designation of specific bank depositories.

Full reports of contributions and expenditures to be filed with Commission 10 days before and 30 days after every election, and within 10 days of close of each quarter unless committee has received or expended less than $1,000 in that quarter. Year-end report due in non-election years.

Contributions of $1,000 or more received within last 15 days before election must be reported to Commission within 48 hours.

Cash contributions over $100 prohibited.

Contributions from foreign national prohibited.

Contributions in name of another prohibited.

Loans treated as contributions; must have co-signer or guarantor for each $1,000 of outstanding obligation.

Requires that any organization which spends any money or commits any act for the purpose of influencing any election (such as the publication of voting records) must report as a politcial committee. (This would require reporting by such lobbying organizations as Common Cause, Environmental Action, ACA, etc., and perhaps many other traditionally non-electoral organizations).

Every person who spends or contributes over $100, other than to or through a candidate or political committee, is required to report.

OTHER PROVISIONS

No elected or appointed official or employee of government may accept more than $1,000 in honorarium for speech or article, or $15,000 in aggregate per year.

Removes Hatch Act restrictions on voluntary activities by state and local employees in federal campaigns, if not otherwise prohibited by state law.

Corporations and labor unions which are government contractors are permitted to maintain separate, segregated voluntary political funds in accordance with 18 USC 610. (Formerly all contributions by government contractors were prohibited.)

Permits use of excess campaign funds to defray expenses of holding federal office or for other lawful purposes.

Prohibits solicitation of funds by franked mail.

Pre-empts state election laws for federal candidates. This section takes effect upon enactment.

PENALTIES

Increases existing fines to maximum of $50,000.

Candidate for federal offices who fails to file reports may be prohibited from running again for term of that office plus one year.

Effective Date: January 1, 1975 (except for immediate pre-emption of state laws).

PUBLIC FINANCING OF THE PRESIDENTIAL CAMPAIGN

Public financing of the 1976 Presidential election is provided under the new Campaign Reform Bill. Here is the way it works:

General election

Each candidate for President is limited to campaign expenditures of $20 million.

Nominees of the major parties are eligible to receive the full $20 million in public funds. Public financing is not mandatory; the candidate may solicit all donations privately. If the candidate "goes private," however, individual contributions are limited to $1,000; organization contributions, $5,000.

Candidates of minor parties (those receiving at least five percent of the vote in the preceding election) are eligible for partial funding based on the percentage of the vote received. A third party receiving at least five percent of the vote in 1976 will be eligible for partial reimbursement of their expenses.

Nominating conventions

Political parties are limited to expenditures of $2 million for their presidential nominating conventions. A major party is eligible to receive the full $2 million in public funds; however, a party may opt to fund its convention privately. The existing law permitting corporations to take a tax deduction for advertisements in conventions program books is repealed.

Presidential primaries

Each candidate for the Presidential nomination is limited to campaign expenditures of $10 million. In each state, he may spend no more than twice the amount permitted a Senate primary candidate. In other words, the candidate may spend no more than $200,000 in the New Hampshire primary; $928,000 in Florida.

To be eligible for public funds, a candidate must declare himself a candidate for his party's nomination and begin soliciting small contributions ($250 or less). When the Federal Elections Commission certifies that the candidate has received at least $5,000 from contributors in each of 20 states—for a total of $100,000 in matchable funds—the Secretary of the Treasury will authorize a matching payment of $100,000 from the Dollar Check-Off Fund. Subsequently, each eligible contribution of $250 or less will be matched from the Treasury.

While an individual may contribute $1,000 and an organization may give $5,000 during the pre-nomination period, only the first $250 will be eligible for matching. No cash contributions will be matched; all contributions must show the taxpayer's identification number.

In addition to the $10 million spending limit, the candidate is permitted to spend an additional 10 percent—$2 million—for fundraising costs.

Only contributions raised after January 1, 1975, will be eligible for matching. No public funds will be given out until January 1, 1976.

Source of public funds

The source of all public funding is the Presidential Election Campaign Fund. No additional appropriations legislation is required of Congress. The Fund was established in 1971 and is funded by taxpayers who check off Line 8 on IRS Form 1040, designating $1 of their taxes ($2 on a joint return) for this purpose.

This Dollar Check-Off Fund now contains $30.1 million. If taxpayers check off Line 8 at the same rate as last year, there will be a minimum of $64 million in the fund in time for the 1976 election, and very likely more.

Early in 1976, $44 million will be earmarked for the General Election and the Conventions. The remaining funds will be designated for the primaries. No more than 45 percent may go to candidates of any political party. No candidate is eligible to receive more than one-fourth of public funds available for primaries.

All spending limits are subject to cost-of-living increases, using 1974 as the base year.

The Fund will be under continuing review by the new Federal Election Commission to insure that eligible candidates receive equitable treatment and that adequate money is available to meet obligations required by the act.

SPENDING LIMITS FOR SENATE CANDIDATES

State	1974 projected voting age population	Primary limit (8 cents times VAP or $100,000, whichever is greater)	Additional spending for fundraising (primary)	General election limit (12 cents times VAP or $150,000, whichever is greater)	Additional spending for fundraising (general)	Party spending permitted in candidate's behalf [1]	Actual spending limit by candidate (general election)
Alabama	2,392,000	$191,360	$38,272	$287,040	$57,408	$95,680	$440,128
Alaska	206,000	100,000	20,000	150,000	30,000	40,000	220,000
Arizona	1,442,000	115,360	23,072	173,040	34,608	57,680	265,328
Arkansas	1,417,000	113,360	22,672	170,040	34,080	56,680	260,800
California	14,509,000	1,160,720	232,144	1,741,080	348,216	580,360	2,669,656
Colorado	1,719,000	137,520	27,504	206,280	41,256	68,760	316,296
Connecticut	2,124,000	169,920	33,984	254,880	50,976	84,960	390,816
Delaware	391,000	100,000	20,000	150,000	30,000	40,000	220,000
Florida	5,799,000	463,920	92,784	695,880	139,176	231,960	1,067,016
Georgia	3,227,000	258,160	51,632	387,240	77,448	129,080	593,768
Hawaii	571,000	100,000	20,000	150,000	30,000	40,000	220,000
Idaho	519,000	100,000	20,000	150,000	30,000	40,000	220,000
Illinois	7,646,000	611,680	122,336	917,520	183,504	305,840	1,406,864
Indiana	3,603,000	288,240	57,648	432,360	86,472	144,120	662,952
Iowa	2,002,000	160,160	32,032	240,240	48,048	80,080	368,368
Kansas	1,601,000	128,080	25,616	192,120	38,424	64,040	294,584
Kentucky	2,296,000	183,680	36,736	275,520	55,104	91,840	422,464
Louisiana	2,457,000	196,560	39,312	294,840	58,968	98,280	452,088
Maine	700,000	100,000	20,000	150,000	30,000	40,000	220,000
Maryland	2,781,000	222,480	44,496	333,720	66,744	111,240	511,704
Massachusetts	4,086,000	326,880	65,376	490,320	98,064	163,440	751,824
Michigan	6,037,000	482,960	96,592	724,440	144,888	241,480	1,110,808
Minnesota	2,634,000	210,720	42,144	316,080	63,216	105,360	484,656
Mississippi	1,495,000	119,600	23,920	179,400	35,880	59,800	275,080
Missouri	3,296,000	263,680	52,736	395,520	79,104	131,840	606,464
Montana	484,000	100,000	20,000	150,000	30,000	40,000	220,000
Nebraska	1,068,000	100,000	20,000	150,000	30,000	42,720	222,720
Nevada	382,000	100,000	20,000	150,000	30,000	40,000	220,000
New Hampshire	550,000	100,000	20,000	150,000	30,000	40,000	220,000
New Jersey	5,099,000	407,920	81,584	611,880	122,376	203,960	938,216
New Mexico	731,000	100,000	20,000	150,000	30,000	40,000	220,000
New York	12,700,000	1,016,000	203,200	1,524,000	304,800	508,000	2,336,800
North Carolina	3,635,000	290,800	58,160	436,200	87,240	145,400	668,840
North Dakota	431,000	100,000	20,000	150,000	30,000	40,000	220,000
Ohio	7,281,000	582,480	116,496	873,720	174,744	291,240	1,339,704
Oklahoma	1,879,000	150,320	30,064	225,480	45,096	75,160	345,736
Oregon	1,587,000	126,960	25,392	190,440	38,088	63,480	292,008
Pennsylvania	8,336,000	666,880	133,376	1,000,320	200,064	333,440	1,533,824
Rhode Island	691,000	100,000	20,000	150,000	30,000	40,000	220,000
South Carolina	1,831,000	146,480	29,296	219,720	43,944	73,240	336,904
South Dakota	464,000	100,000	20,000	150,000	30,000	40,000	220,000
Tennessee	2,881,000	230,480	46,096	345,720	69,144	115,240	530,104
Texas	8,050,000	644,000	128,800	966,000	193,200	322,000	1,481,200
Utah	746,000	100,000	20,000	150,000	30,000	40,000	220,000
Vermont	316,000	100,000	20,000	150,000	30,000	40,000	220,000
Virginia	3,331,000	266,480	53,296	399,720	79,944	133,240	612,904
Washington	2,377,000	190,160	38,032	285,240	57,048	95,080	437,368
West Virginia	1,238,000	100,000	20,000	150,000	30,000	49,520	229,520
Wisconsin	3,121,000	249,680	49,936	374,520	74,904	124,840	574,264
Wyoming	244,000	100,000	20,000	150,000	30,000	40,000	220,000

[1] State and national political parties are each permitted to spend in behalf of their nominee for the Senate an additional 2 cents times the voting age population or $20,000—whichever is greater.

Note: Voting age population estimates are taken from "Population Estimates and Projections," Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Series P-25, No. 526, September 1974.

SPENDING LIMITS FOR HOUSE CANDIDATES

	Primary limit	Additional spending for fundraising	General election limit	Additional spending for fundraising	Party spending in candidate's behalf [1]	Actual spending limit by candidate (general election)
Each congressional district	$70,000	$14,000	$70,000	$14,000	$20,000	$104,000

[1] $10,000 from State party and $10,000 from national party.

Note: In States with a single congressional district, candidates for the House are subject to the same limits as candidates for the Senate.

Mr. LONG. Mr. President, the significance of this Federal Elections Campaign Act will be that this act moves us one long stride forward in the area of public financing.

The act, makes the appropriations of the money checked off on individual tax returns automatic and implements the action taken already with regard to the Presidential campaign checkoff proposal of $1 optional with each taxpayer. The bill provides also that $2 million would be made available to each of the two major parties, with a formula as is spelled out elsewhere in the checkoff system for

appropriate reimbursement for third parties, to provide for expenses of nominating conventions.

Now, the significant thing about this measure is that it provides that hereafter candidates seeking to be nominated for President of the United States may obtain Federal matching once they have achieved enough individual small contributions to merit the thought that they are serious candidates.

To be specific, a candidate must raise $100,000 in contributions of no more than $250, and that candidate must raise as much as $5,000 in 20 States to demonstrate, in effect, that he is a serious candidate and that he has support beyond the immediate State or region from whence he hails.

As I understand this provision, once a candidate had raised the first $100,000 as stipulated, the amount that is raised under the checkoff system and, thereafter, every small contribution of $250 or less is matched by an equal amount up to $5 million so that the candidate could raise a total of $5 million and have $5 million made available to him through Treasury financing.

Mr. President, that is an extension of what this Senator sought to initiate in 1966, almost 8 years ago now, when the then junior Senator from Louisiana brought in an amendment to a revenue bill suggesting that the general election of the President should be financed by a $1 tax checkoff-type proposal as is now the law. That proposal became law as an amendment to a major revenue measure. In time, I believe, the significance of that amendment will dwarf the bill itself and all other amendments that were on it.

I believe that was a bill which was subsequently referred to as the first Christmas tree bill because it came late in the year and it had so many amendments to it that one of the writers of the Washington Post said:

When the bill hit the floor it lit up like a Christmas tree.

There were many amendments on the bill that were wanted on behalf of many of their constituents.

In the year 1967 there were some Democrats who felt that they made a mistake in permitting the tax checkoff to finance the Presidential election to become law, and they joined forces with those Republicans who had opposed this proposal in what developed into a rather lengthy debate to prevent this new law from ever going into effect.

It was with considerable disappointment that the Senator from Louisiana saw that there were a lot of good people who should be supporting that first public campaign financing measure because of their liberal background and their political philosophy who were, for one reason or another, opposing it.

There was the then Senator from Tennessee, Mr. Gore, for example, who was one I would have thought would have favored this very strongly and who, in fact, had voted for it in the committee and then saw fit to lead the fight against the proposal.

There was the former Senator from New York, Mr. Robert Kennedy, who saw dangers that aroused his fears that this could be used in an improper manner.

There were quite a few on this side of the aisle who, at that time, had become disillusioned with the then President Lyndon Johnson, who felt that this was something that President Johnson wanted for his own advantage.

Now that, in my judgment, was not the truth. I had discussed this mater with President Johnson on occasion. He told me he thought I was right about it. He said he was capable of raising whatever campaign funds he cared to raise, but that the time would come when the Democrats would have another Harry Truman running for President of the United States. He recalled how difficult it was for President Truman, even as a dedicated President, to raise enough money to pay transportation expenses to move the Truman train around the country in order to take his message to the people in that very difficult election when he fought an underdog race and survived that race to become one of our great Presidents after his reelection.

So, Mr. President, after that long debate of about 7 weeks, the Senate finally voted for an amendment to say that this public financing proposal would not become effective until Congress has provided further guidelines.

Thereafter, President Nixon was elected President of the United States. I have oftentimes thought, had it not been for the support of a number of our liberal Democratic friends who thought this might be something that President Johnson wanted for his own advantage, and therefore voted to negate the provisions of that bill, Richard Nixon would not have been President of the United States because Senator HUMPHREY ran a very close race, very poorly financed, but very close.

Had HUBERT HUMPHREY had the funds to make an equally impressive presentation on television, as that available to his Republican opponent, it is fairly clear to all of us at this point that Hubert Humphrey then Vice President would have been elected President of the United States.

It was, in my judgment, largely because some of our good friends on the Democratic side of the aisle, and I am sure for good conscientious reasons, voted to prevent the public financing checkoff proposal from going into effect, that the Democrats lost the next Presidential election of 1968.

Now, a few years thereafter, with reference to campaign financing and reform proposals, our majority leader (Mr. MANSFIELD) proposed to some of us that we should initiate a proposal to make available equal time to the candidates for both sides running for President of the United States and that we should make some tax deductions and tax credits, to help encourage small contributions to political campaigns.

As chairman of the Committee on Finance at that time, I made it clear that I did not expect to support any proposal of that sort unless we made some forward progress toward justifying some form of public financing under the checkoff proposal, or some similar proposal, because, in my judgment, it is only when we finance campaigns in a way where the outcome of the campaign does not depend in any respect on who has the most money, or who has the greatest appeal to the vested interests, that one can feel that the voice of the public and the people are electing a man not because of the financial power behind him but because what he has to say makes the best sense and appeals most to the hearts and minds of the American people.

So I insisted that if I were to support something of that sort it ought to have at least a $1 checkoff proposal as part of the package.

So, in due course, in considering a debt limit bill, as I recall it, it was agreed that the Senator from Rhode Island (Mr. PASTORE) would offer this package of amendments which would provide a deduction and a tax credit for small contributions and would implement the tax checkoff approach which we had previously enacted and put on the statute books in 1966.

After a really heated and lengthy debate on the checkoff proposal, this provision finally passed. We were alerted at that time that the President of the United States expected to veto the debt limit bill if need be, rather than permit the tax checkoff to pay the expense of the two candidates making their campaigns and expressing their views, as they saw it, to the public in 1972.

So while the Senate had passed the measure intending that it should be effective in 1972, by threat of Presidential veto we were compelled to settle for an effective date in 1976.

Mr. President, the checkoff proposal is on the books and people are marking it in sufficient numbers to make the assurance of adequate financing for the 1976 election a certainty. So much so that we now find we can provide that more than the general election can be financed under a system whereby taxpayers mark their own tax returns that they would like to have $1 of their tax money spent in a fashion that would help to assure us a President beyond the reach of undue influence of large financial contributions.

We will have that kind of election for the first time in 1976.

Mr. President, there are some who have expressed disappointment and will continue to express disappointment that this bill did not extend the public financing concept to the election of Senators and Members of Congress. I voted for that proposal. In the long run, Mr. President, if I am around here another 6 years, I hope to be one of those who help put it on the statute books. It is just as well that it does not happen now.

I say that because these major issues should not be decided based on who is right; it should be decided because we agree on what is right.

We will best know how to implement a public financing approach when we have had experience with the checkoff in the election of a President in the year 1976.

Mr. President, the vote on this measure demonstrates the enormous for-

ward progress as an idea becomes understood by people.

In that long 7 weeks' fight in 1967, with the President of the United States supporting the checkoff approach, most of us who were supporting it, won about half of the votes. On seven rollcall votes one side won four times and the other side won three times.

It was a matter of who had the most troops in town that decided how each vote would go, and on every second vote one group would win and on every alternate vote the other group would win.

Now we see a measure that can muster a margin of approximately 4 to 1 in the U.S. Senate. Some of that margin now represnts those who did not think it was a good idea at the time. That is a mark of tolerance and a mark of ability of people to change with changing times and to recognize with experience that there is something to be said for the other fellow's side of the argument.

Undoubtedly, the Watergate scandal contributed to this. We now see, Mr. President, that not just a matter of disclosure that is needed to give us a government of the people and by the people in this country.

The disclosure provisions really have in fact made it difficult for challengers to challenge incumbents. It was well discussed in a very thoughtful article by David Broder a few days ago.

Disclosure has created as many problems as it has solved. While incumbents have been able to raise adequate funds to finance a campaign, the disclosure provisions have made it very difficult, and far more difficult than ever before, for the challengers to raise funds to finance their part of the campaign, but the public financing features properly implemented will, I am sure, make it possible for every Member who enjoys the benefit of the public financing approach to be completely the master of his own conscience; to reject those proposals which are lacking in logic, and to support instead those things which he believes to be best for his nation.

As I say, Mr. President, I am not at all dismayed that this Congress is not at this time implementing the public financing approach to the election of Senators and Members of the House of Representatives. I am satisfied that we will learn something from experience.

The experience that we will have in electing a President of the United States by a public financing approach, where each taxpayer indicates that he wants $1 to be spent in a way where the President will be equally obligated to all citizens and especially obligated to none, will lead us to finance, in time, our congressional campaigns in a way that will have equally as much merit.

With experience, the public will understand it better. In the last analysis, Senators and Congressmen want to do what the public wants. The public will be in a better position to advise us what it thinks about this type of campaign financing when it has had experience with the outcome and with the implementation of what we start in 1976, which, in my judgment, is a very appropriate time to implement the type of suggestion that was implicit in the $1 checkoff proposal. That is that every citizen should have an equal amount of influence, and every person elected to public office should be equally obligated to all citizens; that no one should have any greater influence because of his money, and that no public servant should be in any greater measure beholden to someone because of that money.

This is a red-letter day for our democracy, Mr. President, and I am very pleased to have played a part in the implementation of something that we started 8 years ago.

Mr. CANNON. Mr. President, I would like to express my appreciation to the conferees for the tremendous assistance they gave to all of the conference during the subject under discussion.

We have very divergent views on the conference committee, and we had those who were opposed to public financing, those who favored it, those who wanted tighter disclosure provisions, and so on. However, despite the differing views we had very cooperative people and cooperative staff, and I want to express appreciation to all of the conferees and to our fine staff people who assisted us in developing what I think is a very fine campaign reform bill.

The PRESIDING OFFICER (Mr. ABOUREZK). The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. BUCKLEY (when his name was called). Mr. President, on this vote I have a pair with the Senator from Oregon (Mr. HATFIELD). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. ERVIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. ERVIN) and the Senator from Indiana (Mr. HARTKE) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce, that if present and voting, the Senator from Tennessee (Mr. BAKER) and the Senator from Kansas (Mr. DOLE) would each vote "yea."

The result was announced—yeas 60, nays 16, as follows:

[No. 466 Leg.]

YEAS—60

Abourezk	Huddleston	Nelson
Bayh	Hughes	Nunn
Beall	Humphrey	Pastore
Biden	Jackson	Pearson
Brock	Javits	Pell
Brooke	Johnston	Percy
Burdick	Kennedy	Proxmire
Byrd, Robert C.	Long	Randolph
Cannon	Magnuson	Ribicoff
Case	Mansfield	Roth
Chiles	Mathias	Schweiker
Clark	McGee	Scott, Hugh
Cranston	McGovern	Stevens
Domenici	McIntyre	Stevenson
Eagleton	Metcalf	Symington
Fulbright	Metzenbaum	Taft
Hart	Mondale	Talmadge
Haskell	Montoya	Tunney
Hathaway	Moss	Weicker
Hollings	Muskie	Williams

NAYS—16

Allen	Eastland	McClellan
Bartlett	Fannin	McClure
Byrd, Harry F., Jr.	Gurney	Stennis
	Hansen	Thurmond
Cotton	Helms	Tower
Curtis	Hruska	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Buckley, against.

NOT VOTING—23

Aiken	Dole	Hatfield
Baker	Dominick	Inouye
Bellmon	Ervin	Packwood
Bennett	Fong	Scott, William L.
Bentsen	Goldwater	
Bible	Gravel	Sparkman
Church	Griffin	Stafford
Cook	Hartke	Young

So the conference report was agreed to.

Mr. HUGH SCOTT. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, the passage of S. 3044, the Federal Election Campaign Act amendments, represents another significant breakthrough in reforming the political processes of this Nation. So many in the Senate have been in the forefront of this great reform effort, but I wish at this time to pay tribute to those who worked so hard on this conference committee under the great leadership of the distinguished Senator from Nevada (Mr. CANNON). All members of that committee are to be commended, but Senator CANNON particularly for the broad representation he solicited even from outside his committee. The great breakthrough in public financing of Federal Presidential proceeds as well as general elections in truly the great first step toward creating a totally changed climate for future elections. The distinguished Senator from Louisiana (Mr. LONG) has been the real champion of the dollar checkoff over the past several years and played such an important role in the conference committee in re-

taining this provision. In future years, with his continued leadership, I am confident that this concept will be expanded to all Federal elections.

My colleague, the distinguished Republican leader (Mr. HUGH SCOTT) is to be commended for his great leadership on the bill and on the overall program of reforms of the political process. He and Senator KENNEDY have provided the leadership this Congress on public financing and their contributions have been immense. To Senators CLARK, MATHIAS, PASTORE, BYRD, GRIFFIN and STEVENS, the Senate owes its sincere thanks for the completion of this landmark legislation.

The country shall be better for the work the Senate has completed today on S. 3044.

TRANSPORTATION SAFETY ACT OF 1974

Mr. MANSFIELD. During the consideration of S. 4057 yesterday, Senator HARTKE withdrew an amendment to S. 4057. Inadvertently, the incorrect amendment was withdrawn. Thereafter, H.R. 15223 was considered by the Senate and the text of the Senate bill, as amended, was substituted for the language in the House bill. Therefore the bill as passed contains several mistakes. Section 208(d) of the bill should be deleted as should title 4 of the bill.

Therefore, I ask unanimous consent that the Senate reconsider the passage of H.R. 15223 including the third reading and that section 208(d) and all of title 4 of S. 4057 be deleted, and that the bill as thus corrected be repassed.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRAVEL EXPENSE AMENDMENTS ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3341.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Travel Expense Amendments Act of 1974".

SEC. 2. Section 5701(2) of title 5, United States Code, is amended to read as follows:

(2) " 'Employee' means an individual employed in or under an agency including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at one dollar a year;"

SEC. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. Per diem; employees traveling on official business

"(a) An employee while traveling on official business away from his designated post of duty is entitled to a per diem allowance for travel inside the continental United States at a rate not to exceed $35. For travel outside the continental United States, the per diem allowance shall be established by the Administrator of General Services, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rates may be allocated proportionately pursuant to regulations prescribed under section 5707 of this title.

"(b) An employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses until such time as he can again travel, and to the per diem allowance and transportation expenses during return travel to his designated post of duty.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed—

"(1) $50 per day for travel within the continental United States when the maximum per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707; or

"(2) $20 per day plus the locality per diem rate prescribed for travel outside the continental United States.

"(d) This section does not apply to a Justice or judge, except to the extent provided by section 456 of title 28.".

SEC. 4. Section 5703 of title 5, United States Code, is hereby repealed.

SEC. 5. Section 5704 of title 5, United States Code, is hereby amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to not in excess of—

"(1) 9 cents a mile for the use of a privately owned motorcycle; or

"(2) 18 cents a mile for the use of a privately owned automobile; or

"(3) 24 cents a mile for the use of a privately owned airplane;

instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of advantage is not required when payment of a mileage basis is limited to the cost of travel by common carrier including per diem.

"(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;

"(2) ferry fees;

"(3) bridge, road, and tunnel costs; and

"(4) airplane landing and tie-down fees.".

SEC. 6. Section 5707 of title 5, United States Code, is hereby amended to read as follows:

"§ 5707. Regulations and reports

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter.

"(b) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic studies of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such studies to Congress at least once a year.".

SEC. 7. The seventh paragraph under the heading "Administrative Provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

SEC. 8. Item 5707 contained in the analysis of subchapter 1 of chapter 57 of title 5 is amended to read as follows:

"5707. Regulations and reports.".

Mr. MANSFIELD. Mr. President, the Senate, after some effort, passed S. 3341 relating to per diem and mileage expenses on September 19. The House was scheduled to take up a similar bill, H.R. 15903, under suspension of the rules on Monday, October 7. Discussion with House staff indicates that the bill will pass in its present form, and it has passed in its present form.

I ask unanimous consent that the Senate disagree to the amendments of the House, and hereby request a conference on the disagreeing votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. On behalf of the Senator from Montana (Mr. METCALF) I ask unanimous consent that Mr. METCALF, the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Illinois (Mr. PERCY) be appointed as conferees.

There being no objection, the Presiding Officer appointed Mr. METCALF, Mr. HUDDLESTON, and Mr. PERCY conferees on the part of the Senate.

HOUSE JOINT RESOLUTION 898— NATIONAL LEGAL SECRETARIES' COURT OBSERVANCE WEEK

Mr. THURMOND. Mr. President, I send to the desk a joint resolution authorizing the President to proclaim the second full week in October 1974, as National Legal Secretaries' Court Observance Week, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be read for the information of the Senate.

The joint resolution (H.J. Res. 898) was read the first time by title and the second time at length, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the second full week in October, 1974, as "National Legal Secretaries' Court Observance Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. THURMOND. Mr. President, yesterday the House of Representatives passed House Joint Resolution 898. It has come over to the Senate and is now pending before the Senate.

This resolution honors the secretaries of the Nation, an honor that is justly due.

I am very pleased that the House passed it, and I hope the Senate will see fit to pass it, too.

I have cleared this resolution with the majority leader, Mr. MANSFIELD, the assistant majority leader, Mr. BYRD, the minority leader, Mr. SCOTT, the assistant minority leader, Mr. GRIFFIN, the chairman of the Judiciary Committee Mr. EASTLAND, and the two members of the subcommittee of the Judiciary Committee who handle resolutions of this nature, Mr. MCCLELLAN and Mr. HRUSKA.

Mr. President, I hope that the Senate acts on it at this time.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the reading and passage of the joint resolution.

The joint resolution (H.J. Res. 898) was ordered to a third reading, was read the third time, and passed.

A PROGRAM TO CONTROL INFLATION IN A HEALTHY AND GROWING ECONOMY

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a fact sheet relating to the program to control inflation in a healthy and growing economy which was referred to today in President Ford's address before the joint session of Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A PROGRAM TO CONTROL INFLATION IN A HEALTHY AND GROWING ECONOMY

Although our economic system remains sound and strong, with its basic vitality intact, the economy is experiencing severe difficulties. Inflation is far too high. Too many people are having trouble finding employment. The financial markets are out of kilter. Interest rates are exorbitant. Housing is suffering badly. The productive capacity of the economy is expanding too slowly.

The origins of these problems are complex. Part of the problem grew out of several international shocks:

The disastrous world-wide drop in crop production in 1972, which sent food prices soaring.

Tow international devaluations of the dollar, which made the United States a more attractive source for other countries to buy scarce materials.

The tripling of crude oil prices, which exerted a powerful and pervasive effect on our entire price structure.

Here at home, a long period of excessively stimulative policies created inflationary pressures that gradually and inexorably mounted in intensity. With that condition prevailing, the economy could not absorb the outside shocks; rather, those have now been built into the system, deepening and extending our problem.

Twice within the past decade, in 1967 and in 1971–72, we let an opportunity to regain price stability slip through our grasp. Thus inflation has gathered momentum and has become the chronic concern of producers and consumers alike. Indeed, today inflation is the primary cause of our recession fears.

Consumer confidence has been shaken, causing most families to hold back on spending, as clearly indicated by the lack of growth in the physical volume of retail sales for the past year and a half.

An "inflation premium" has been added to "true" interest rates, so that we now have mortgages at 9–10 percent and corporate bonds at 10–12 percent. This was warped our financial markets, including the stock market, which were structured for an economy with a relatively stable price level.

Another development that has created a serious economic imbalance is the fact that our civilian labor force has been expanding rapidly. For the size of our labor force, therefore, we are short on capital equipment. During this same period, the effectiveness of price controls in certain sectors—e.g., steel, paper and other basic materials—created specific bottlenecks that limited the production capacity of the entire economy. As a result, unemployment was higher than it otherwise would have been. Also, the dampening impact of price controls on profits held back new capital expansion programs in some of these vital industries.

Thus, because our problems are complex, it is clear that our program to deal with them must be comprehensive. It is also clear that the solution cannot be achieved quickly. There are no simple, instantaneous cures for our difficulties. Discipline and patience are the watchwords.

We must, therefore, have a strong policy of budgetary and monetary restraint to work down the rate of inflation. At the same time, we must provide the means for a healthy long-run growth in the capacity of the economy, correct the imbalances that have developed in recent years, and see to it that the burdens of this effort are shared on an equitable basis. Some further rise in unemployment appears probable, and we will take steps to deal with it. However, we can and will achieve our goals without a large increase in unemployment. There will be no economic depression in the United States.

AMENDING THE EMPLOYMENT ACT OF 1946

The Employment Act of 1946 makes it the policy of the Federal Government to "promote maximum employment, production and purchasing power." Although the words "purchasing power" have sometimes been interpreted as meaning price-level stability, it would nevertheless be helpful to clarify the term and make explicit in the Employment Act the goal of stability in the general price level. The American people have a right to receive from their government stronger assurance that policies will be followed to safeguard the purchasing power of their money in addition to policies that will provide abundant job opportunities and a rising level of living.

We, therefore, suggest that the section of the Act referred to above be amended to read as follows: ". . . for all those able, willing, and seeking to work, to promote maximum employment, maximum production, and stability of the general price level."

INTERNATIONAL COOPERATION

There is much that we and other nations can do to restore the health of the international economy. The economic problems of one nation, as well as its policies for dealing with them, affect other nations. Governments thus have the responsibility not only to maintain healthy economies but also to formulate policies in a way that complements, rather than disrupts, the constructive efforts of others.

This is particularly true for major economic powers such as the United States. Our policies to reduce inflation and restore satisfactory growth are intended to contribute to the strengthening of the international economy. We intend, further, to work with others so that:

We can ensure secure and reasonably priced goods, particularly food and fuel, for all nations.

We can minimize national policy conflicts or distortions that direct resources away from their most productive uses.

We can provide early warning of potential shifts in supply and demand so that nations can avoid potential disruptions.

We can try to harmonize national efforts in such areas as conservation, investment and balance of payments management.

A small delegation led by Ambassador Eberle departed today for Canada, Europe and Japan to discuss the policies described herein and to explore how we can better address and resolve common problems in a mutually supportive fashion.

A cornerstone of our international efforts is the multilateral trade negotiation scheduled to begin this fall. Passage of the Trade Reform Act will provide the United States with an opportunity to help improve the international trading order and to ensure that United States interests are well served therein. Without this bill, the United States will be regarded abroad as lacking the tools or the interest to build multilateral solutions to pressing economic problems. With it, the United States can play a leadership role in negotiating guidelines to reduce distortions of trade and investment that force workers or farmers in one nation to pay for the economic policies of another nation. We can also work toward a multilateral system of safeguards that provide for temporary—but only temporary—limits on imports when there is a need for certain industries to adjust smoothly to economic shifts.

FOOD AND FIBER

Food prices are of major concern in our fight against inflation. Because of weather problems and heavy demands from around the world, food prices are anticipated to increase at an annual rate of 10 percent or more over the next 18 months. Only by expanding farm production, improving productivity, and containing foreign demand can we hope to reduce the rate of increase.

Increased production offers our brightest hope for combating inflation, and we are committed to a program of all-out food production. There are presently no government restrictions on planting of wheat, feed grains, soybeans and cotton (excluding extra-long-staple cotton). To remove restrictions on rice production, we support pending legislation, but with a noninflationary target price. In addition, new legislation, which we support, has just been introduced to remove restrictions on the production of peanuts and extra-long-staple cotton.

Farmers must be assured of adequate supplies of fertilizers and fuel. The Secretary of Agriculture has been directed to work with the interagency Fertilizer Task Force to establish a reporting system. Fuel will be allocated if necessary. Authority will be sought to allocate fertilizer, if that is needed. We will work with fertilizer companies to initiate voluntary efforts to reduce nonessential uses of fertilizer.

Over the past weekend the Federal Government initiated a voluntary program to monitor grain exports. We can and shall have adequate supplies at home, and through cooperation meet the needs of our trading partners abroad. A committee of the Economic Policy Board will be responsible for determining policy under this program. In addition, in order to better allocate our supplies for export, the President has asked that a provision be added to Public Law 480, under which we ship food to needy countries, to waive certain of the restrictions on shipments under that Act on national interest or humanitarian grounds.

The U.S. Department of Agriculture and the National Commission on Productivity have been directed to help reduce the cost of food by improving efficiency in the agricultural sector. The Department and the Council on Wage and Price Stability will review marketing orders to insure that they do not reduce food supplies. Government regulations will be examined to eliminate those that interfere with productivity in the food processing and distribution industries.